



Health Services LOS ANGELES COUNTY

Los Angeles County Board of Supervisors

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina R. Ghaly, M.D.
Deputy Director, Strategic Planning

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213)240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov


To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.

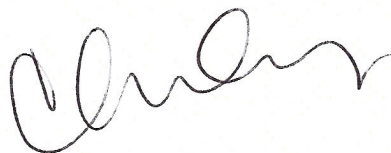


www.dhs.lacounty.gov

July 27, 2012

TO: Each Supervisor

FROM:  Mitchell H. Katz, M.D.
Director



SUBJECT: **PHYSICIAN SERVICES FOR INDIGENTS PROGRAM (PSIP) AUDIT IMPLEMENTATION AND PROGRAM STATUS REPORT**

On February 16, 2010, your Board instructed the Auditor-Controller (A-C) to conduct a policy and operational review of the Department of Health Services (DHS) Physician Services for Indigents Program (PSIP). On March 11, 2011 the A-C issued the results of its review, which included several recommendations to improve the program's administration. Recommendation #11 of the audit report is for DHS to submit semiannual status reports to the Board on PSIP information. On October 25, 2011, the Board instructed DHS with assistance from the Chief Executive Office (CEO) and the A-C, to implement the recommendations in the A-C's March 2011 report, initiate further improvements as appropriate, and report progress every six months.

Audit Implementation Status

DHS submitted an audit follow-up report to the Board dated April 3, 2012. The A-C concluded that DHS has implemented 10 and partially implemented one of the 11 recommendations. Recommendation #9 is for DHS to consider using collection agencies to collect up to the full amount billed by physicians from patients or responsible third parties. Since then, County Counsel has advised DHS not to implement this recommendation.

Program Status

For Fiscal Year (FY) 2011-12, the reimbursement rate was set at 14% of the Official County Fee Schedule (OCFS). DHS anticipates that all FY 2011-2012 claims will be paid. Projected claim volume and revenue collections for FY 2012-2013 are being analyzed. If revenues will not be sufficient to maintain this reimbursement rate, DHS will exercise its delegated authority to reduce the rate subject to prior notification to all stakeholders and your Board.

Attached is a schedule that shows the program's enrollment and claim data for FY 2009-2010, FY 2010-2011, and Year-to-Date FY 2011-2012.

Each Supervisor
July 26, 2012
Page 2

This is the final report on program and audit implementation status. In the meantime, we will keep you informed of any changes in the program, major reimbursement issues and/or other pertinent information.

If you have any questions, please contact me or Cathy Chidester, EMS Director, at (562) 347-1604.

MHK:cc

Attachment

c: Executive Office, Board of Supervisors
 County Counsel
 Chief Executive Office
 Auditor-Controller
 Emergency Medical Services Commission
 Hospitals and Health Care Delivery Commission

**COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
PHYSICIAN SERVICES FOR INDIGENTS PROGRAM (PSIP)
As of June 2012**

Category	FY 2009-10 Final	FY 2010-11 YTD	FY 2011-12 YTD
Physicians enrolled	4,676	5,472	5,565
ER Claims received	506,580	550,631	274,270
ER Claims returned/rejected ⁽¹⁾	55,342	52,673	34,457
ER Claims denied ⁽²⁾	93,238	100,816	15,042
ER Claims paid	358,000	397,057	186,495
ER Claims to be processed	-	85 ⁽³⁾	38,276
Total reimbursement	\$ 17,492,699	\$ 16,965,695	\$ 7,219,952
Average reimbursement per ER claim ⁽⁴⁾	\$ 49	\$ 43	\$ 39

⁽¹⁾ Rejected due to incomplete data, missing documentation or physician not enrolled in the program. Some claims are re-submitted for processing with required data and/or after physician enrolls in PSIP program.

⁽²⁾ Denied as claim does not meet program requirements or incorrect Current Procedural Terminology (CPT) codes/services are used. Some claims are re-submitted/appealed with additional information.

⁽³⁾ Re-submitted claims to be processed for payment in July 2012.

⁽⁴⁾ Fiscal Year (FY) 2009-10 claims were reimbursed at 18% of Official County Fee Schedule (OCFS). FY 2010-11 claims were reimbursed at 18% of OCFS up to August 2011 payments and then at 12% of OCFS thereafter. FY 2011-12 claims are reimbursed at 14% of OCFS.